



Number and Characteristics of Australian Exporters

Australia

2005–06

New
Issue

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CONTENTS

	<i>page</i>
Introduction	vi
Number and Characteristics of Australian Exporters	1
Explanatory Notes	13

INTRODUCTION

INTRODUCTION

This article presents an analysis of the characteristics and international trading activities of Australian exporters in 2005–06. The information is compiled as a by-product of producing regular monthly and quarterly statistics on Australia's merchandise trade and international trade in services.

Estimates relating to exporters of merchandise goods are compiled from data sourced from the Australian Customs Service (Customs) and from the Australian Taxation Office (ATO) Australian Business Register. The methodology used to derive numbers of goods exporters has recently changed and estimates for 2005–06 cannot be compared to previous years. More details about this revised methodology are contained in the feature article *New Methodology for Deriving Counts of Australian Exporters*, released on the ABS website on 7 April 2006.

Estimates relating to exporters of services are derived from the ABS Survey of International Trade in Services (SITS). The coverage of SITS was improved during 2005–06 with the identified population of businesses exporting and/or importing services increasing from 3,299 to 4,615. Of these, 2,513 were identified as active exporters in 2005–06. For more information please refer to *Changes to International Trade in Services Statistics, August 2006* released with the August 2006 issue of *International Trade in Goods and Services (cat. no. 5368.0)*. This improved coverage has increased the value of services exports and the number of services exporters. The increased value has been applied proportionally to back series to maintain consistency across the time series but the number of service exporters could not be revised. Therefore, counts of services exporters for 2005–06 are not comparable to previous years. The value of services exports are compiled from SITS and a variety of administrative sources.

The first table in this article presents an overview covering exporters of both goods and services. Tables 2 to 9 present more detailed information on goods exporters and table 10 presents additional information on services exporters.

The Explanatory Notes attached to this article provide important information relating to the methodology used and the limitations in the resulting data. In particular it is important to note that a business that considers itself part of an export market may not necessarily be included as an exporter in this article. For example, many agricultural products are exported by wholesalers rather than the producers of the good. If the wholesaler owns the goods at the time of export, the wholesaler is included as the exporter.

NUMBER AND CHARACTERISTICS OF AUSTRALIAN EXPORTERS

OVERVIEW

As shown in table 1, there were 42,194 Australian exporters in 2005–06. Of these, 40,849 were exporters of merchandise goods, and 2,513 were exporters of services.

Of the businesses engaged in exporting services an estimated 1,168 (46%) businesses were also exporters of merchandise goods.

There were 216 goods exporters with aggregate exports of \$100m or more in 2005–06. Although these businesses were less than 1% of the total goods exporter population they contributed 77% by value to total goods exports. In contrast, 27,399 (67%) of goods exporters contributed less than 1% by value to total goods exports.

38% of goods exporters were businesses exporting goods valued between \$10,000 and \$100,000, with businesses exporting goods valued below \$10,000 equalling 29% of goods exporters.

Businesses exporting services with aggregate exports of \$100m or more represented 1% of total services exporters and contributed 21% by value to total services exports in 2005–06. Businesses exporting services with aggregate exports below \$1m represented 66% of total services exporters.

TABLE 1: EXPORTERS AND VALUE OF EXPORTS, 2005-06

	Exporters	Contribution to total number	Value of exports	Contribution to total value
	no.	%	\$m	%
GOODS EXPORTERS BY VALUE OF EACH BUSINESS' EXPORTS				
\$100m or more	216	1	116 900	77
\$1m and less than \$100m	3 903	10	31 734	21
\$100,000 and less than \$1m	9 331	23	3 125	2
\$10,000 and less than \$100,000	15 552	38	574	—
Less than \$10,000	11 847	29	57	—
Total goods exporters	40 849	100	152 390	100
SERVICES EXPORTERS BY VALUE OF EACH BUSINESS' EXPORTS				
\$100m or more	26	1	8 613	21
\$1m and less than \$100m	838	33	7 742	19
Less than \$1m	1 649	66	322	1
Other services exporters(a)	na	na	25 272	60
Total services exporters	2 513	100	41 949	100
TOTAL EXPORTERS				
Total exporters(b)	42 194	..	194 339	..

.. not applicable

— nil or rounded to zero (including null cells)

na not available

(a) Value of exports of travel, insurance, financial and government services exports. Numbers of exporters cannot be estimated for these service types as the Survey of International Trade in Services is not used to measure these exports.

(b) This total excludes duplication of 1,168 businesses which exported both goods and services in 2005-06.

NUMBER AND CHARACTERISTICS OF AUSTRALIAN EXPORTERS

continued

EXPORT ACTIVITY

As shown in table 2, 18,293 (45%) of total goods exporters lodged 1 or 2 export transactions during 2005–06. The majority of these exporters (10,892) were businesses with aggregate exports of less than \$10,000. Businesses which exported on fewer than 11 occasions in 2005–06 were 72% of total goods exporters.

4,159 (10%) of goods exporters had more than 50 export transactions in 2005–06. In value terms, 166 of these exporters contributed \$105,826m (69%) to the total value of goods exports in 2005–06.

TABLE 2: GOODS EXPORTERS AND VALUE OF EXPORTS BY NUMBER OF EXPORT TRANSACTIONS, 2005-06

Value of each business' exports	NUMBER OF EXPORT TRANSACTIONS					Total
	1 to 2	3 to 10	11 to 20	21 to 50	51 or more	
	NUMBER OF EXPORTERS (NO.)					
\$100m or more	—	10	10	30	166	216
\$1m and less than \$100m	73	172	246	655	2 757	3 903
\$100,000 and less than \$1m	885	2 592	2 147	2 504	1 203	9 331
\$10,000 and less than \$100,000	6 443	7 614	1 169	293	33	15 552
Less than \$10,000	10 892	922	27	6	—	11 847
Total goods exporters	18 293	11 310	3 599	3 488	4 159	40 849
	VALUE OF EXPORTS (\$M)					
\$100m or more	—	2 071	2 089	6 915	105 826	116 900
\$1m and less than \$100m	312	1 388	1 526	2 895	25 613	31 734
\$100,000 and less than \$1m	217	647	624	958	679	3 125
\$10,000 and less than \$100,000	182	296	73	20	2	574
Less than \$10,000	51	6	—	—	—	57
Total goods exporters	762	4 409	4 312	10 787	132 120	152 390

— nil or rounded to zero (including null cells)

NUMBER AND CHARACTERISTICS OF AUSTRALIAN EXPORTERS

continued

INDUSTRY

For goods, the exporting business as defined in this analysis is the owner of the good at the time of export and not necessarily the producer of the exported commodity.

In terms of their contribution to the total value of goods exports, the most significant exporting industries were mining (39%), manufacturing (30%) and wholesale trade (19%), as shown in table 3. These three industries accounted for \$135,438m (89%) of the value of goods exports in 2005–06.

The industries with the highest number of goods exporters in 2005–06 were wholesale trade 11,834 (29%) and manufacturing 10,358 (25%).

The average value of exports per business in 2005–06 was \$3.7m. The mining industry had the highest average value of aggregate exports (\$123.9m per exporter), followed by manufacturing (\$4.5m per exporter), finance and insurance (\$2.9m per exporter) and wholesale trade (\$2.5m per exporter). The lowest average value of aggregate exports per exporter occurred in the health and community services and cultural and recreational services industries, with approximately \$0.2m per business.

TABLE 3: GOODS EXPORTERS AND VALUE OF EXPORTS BY INDUSTRY, 2005-06

Industry of exporter	Exporters	Contribution to	Value of exports	Contribution to
	no.	total number	\$m	total value
		%		%
Goods exporters with an ABN				
Agriculture, forestry and fishing	1 123	2.7	1 869	1.2
Mining	483	1.2	59 848	39.3
Manufacturing	10 358	25.4	46 264	30.4
Electricity, gas and water supply	84	0.2	159	0.1
Construction	1 042	2.6	328	0.2
Wholesale trade	11 834	29.0	29 326	19.2
Retail trade	4 205	10.3	2 201	1.4
Transport and storage	1 173	2.9	1 764	1.2
Communication services	286	0.7	77	0.1
Finance and insurance	827	2.0	2 402	1.6
Property and business services	3 886	9.5	5 039	3.3
Health and community services	341	0.8	66	—
Cultural and recreational services	630	1.5	110	0.1
Personal and other services	497	1.2	570	0.4
Other(a)	981	2.4	1 040	0.7
All goods exporters with an ABN	37 749	92.4	151 063	99.1
Goods exporters without an ABN				
All industries	3 100	7.6	1 327	0.9
Total goods exporters	40 849	100.0	152 390	100.0

— nil or rounded to zero (including null cells)

(a) Includes goods exporters in the accommodation, cafes and restaurants; education; and government administration and defence industries; as well as those newly established businesses yet to confirm their main industry of activity with the Australian Taxation Office.

Table 4 compares the industry of the exporting business with the industry of origin of the commodity exported.

NUMBER AND CHARACTERISTICS OF AUSTRALIAN EXPORTERS

continued

INDUSTRY *continued*

Mining commodities (80%) had the highest correlation between the industry that generally produced them i.e. the mining industry, and the industry which exported the final product. In contrast, only 10% of Australia's agriculture, forestry and fishing commodity exports were exported by the agriculture, forestry and fishing industry. Other industries exported 86% of agriculture, forestry and fishing commodities.

Exports of manufactured goods were \$81.1b in 2005–06, of which \$42.8b (53%) were exported by the manufacturing industry, \$23.2b (29%) by other industries and \$13.2b (16%) by the mining industry.

TABLE 4: GOODS EXPORTERS AND VALUE OF EXPORTS BY COMMODITY INDUSTRY OF ORIGIN, 2005-06

<i>Industry of exporter</i>	<i>Agriculture forestry and fishing</i>	<i>Mining</i>	<i>Manufacturing</i>	<i>Other</i>	<i>Total goods exports</i>
VALUE OF EXPORTS (\$M)					
Goods exporters with an ABN					
Agriculture, forestry and fishing	1 061	1	806	1	1 869
Mining	—	46 585	13 229	36	59 848
Manufacturing	266	1 412	42 828	1 759	46 264
Other	8 735	9 914	23 219	1 212	43 082
Goods exporters without an ABN					
All industries	58	121	1 000	149	1 327
All goods exporters	10 120	58 032	81 082	3 157	152 390
CONTRIBUTION TO TOTAL VALUE (PERCENTAGE)					
Goods exporters with an ABN					
Agriculture, forestry and fishing	10.5	—	1.0	—	1.2
Mining	—	80.3	16.3	1.2	39.3
Manufacturing	2.6	2.4	52.8	55.7	30.4
Other	86.3	17.1	28.6	38.4	28.3
Goods exporters without an ABN					
All industries	0.6	0.2	1.2	4.7	0.9
All goods exporters	100.0	100.0	100.0	100.0	100.0

— nil or rounded to zero (including null cells)

NUMBER AND CHARACTERISTICS OF AUSTRALIAN EXPORTERS

continued

SIZE OF BUSINESS

Two different size measures are used for goods exporters in this article. They are the value of each business' exports (see table 1), and the size of the exporting businesses (see table 5 and 9). Traditionally the ABS has used employment to determine the size of a business in its economic collections because this has been the only sizing variable generally available. However, many significant exporters do not have large employment.

For the purposes of this analysis, the size of the business has been determined in terms of three variables - its employment and estimated annual turnover (both derived from the ATO Australian Business Register) and the value of exports (reported to Customs).

The sizing classification criteria applied to goods exporters with an ABN are:

- small businesses - having fewer than 20 payees and estimated annual Goods and Services Taxation (GST) turnover range less than \$1m and exports of less than \$1m during the reference period
- large businesses - having 200 or more payees or estimated annual GST turnover range of \$20m or more or exports of \$20m or more during the reference period
- medium businesses - all businesses other than those defined as small or large.

As employment and annual business turnover details are not available for those businesses exporting goods without an ABN, business size is determined by the level of their aggregate exports in 2005–06.

There were 4,136 large goods exporting businesses in 2005–06 representing 10% of all goods exporting businesses but \$140.0b of goods exports (or 92% of the value of total goods exports). The industries with the largest number of large goods exporters were manufacturing (1,315) and wholesale trade (1,014). In terms of exports value, mining (\$59.4b), manufacturing (\$42.0b) and wholesale trade (\$25.1b) were the most significant contributors to the large business category.

There were 16,815 medium goods exporting businesses in 2005–06 representing 41% of all goods exporting businesses and \$11.0b (7%) of the value of total goods exports. The industries with the largest number of medium goods exporting businesses were manufacturing (5,203) and wholesale trade (5,631).

There were 19,898 small goods exporters in 2005–06 representing 49% of total goods exporters. They contributed \$1.3b (1%) to the value of total goods exports in 2005–06.

NUMBER AND CHARACTERISTICS OF AUSTRALIAN EXPORTERS

continued

TABLE 5A: GOODS EXPORTERS AND VALUE OF EXPORTS BY BUSINESS SIZE, 2005-06

	NUMBER OF EXPORTERS				VALUE OF EXPORTERS (\$M)			
	<i>Large</i>	<i>Medium</i>	<i>Small</i>	<i>Total</i>	<i>Large</i>	<i>Medium</i>	<i>Small</i>	<i>Total</i>
Goods exporters with an ABN								
Agriculture, forestry and fishing	73	467	583	1 123	1 315	497	57	1 869
Mining	167	151	165	483	59 393	437	18	59 848
Manufacturing	1 315	5 203	3 840	10 358	42 021	3 945	298	46 264
Construction	85	469	488	1 042	137	162	29	328
Wholesale trade	1 014	5 631	5 189	11 834	25 071	3 813	442	29 326
Retail trade	336	1 570	2 299	4 205	1 560	528	113	2 201
Transport and storage	173	522	478	1 173	1 286	425	53	1 764
Finance and insurance	148	384	295	827	2 166	211	25	2 402
Property and business services	312	1 413	2 161	3 886	4 322	574	143	5 039
Other (a)	503	976	1 339	2 818	1 643	308	71	2 022
All goods exporters with an ABN	4 126	16 786	16 837	37 749	138 914	10 900	1 249	151 063
Goods exporters without an ABN								
All industries	10	29	3 061	3 100	1 094	136	97	1 327
Total goods exporters	4 136	16 815	19 898	40 849	140 008	11 036	1 346	152 390

TABLE 5B: GOODS EXPORTERS AND VALUE OF EXPORTS BY BUSINESS SIZE, 2005-06

	CONTRIBUTION TO TOTAL NUMBER (PERCENTAGE)				CONTRIBUTION TO TOTAL VALUE (PERCENTAGE)			
	<i>Large</i>	<i>Medium</i>	<i>Small</i>	<i>Total</i>	<i>Large</i>	<i>Medium</i>	<i>Small</i>	<i>Total</i>
Goods exporters with an ABN								
Agriculture, forestry and fishing	6.5	41.6	51.9	100.0	70.4	26.6	3.0	100.0
Mining	34.6	31.3	34.2	100.0	99.2	0.7	—	100.0
Manufacturing	12.7	50.2	37.1	100.0	90.8	8.5	0.6	100.0
Construction	8.2	45.0	46.8	100.0	41.8	49.4	8.8	100.0
Wholesale trade	8.6	47.6	43.8	100.0	85.5	13.0	1.5	100.0
Retail trade	8.0	37.3	54.7	100.0	70.9	24.0	5.1	100.0
Transport and storage	14.7	44.5	40.8	100.0	72.9	24.1	3.0	100.0
Finance and insurance	17.9	46.4	35.7	100.0	90.2	8.8	1.0	100.0
Property and business services	8.0	36.4	55.6	100.0	85.8	11.4	2.8	100.0
Other(a)	17.8	34.6	47.5	100.0	81.3	15.2	3.5	100.0
All goods exporters with an ABN	10.9	44.5	44.6	100.0	92.0	7.2	0.8	100.0
Goods exporters without an ABN								
All industries	0.3	0.9	98.7	100.0	82.4	10.2	7.3	100.0
Total goods exporters	10.1	41.2	48.7	100.0	91.9	7.2	0.9	100.0

— nil or rounded to zero (including null cells)

(a) Includes goods exporters engaged in electricity, gas and water supply; communication services; accommodation, cafes and restaurants; health and community services; cultural and recreational services; personal and other services; education; and government administration and defence industries as well as those newly established businesses yet to confirm their main industry of activity with the Australian Taxation Office.

NUMBER AND CHARACTERISTICS OF AUSTRALIAN EXPORTERS

continued

STATE ESTIMATES

Two different concepts are used to measure the state distribution of goods exporters in this article.

The first measure is a count of the number of businesses which export goods that were produced in a given state based on information supplied to Customs with export documentation. The second measure is a count of the number of businesses engaged in exporting activities within a given state based on state of business location data as supplied to the ATO when the business initially registered for GST or subsequently underwent a change in business structure.

Businesses may export commodities produced within their state of location, or another state. As there are some businesses which source exports from more than one state of origin, and may have operations in more than one state of location, the state figures in table 6 sum to more than the Australian goods exporter totals.

An exporter is defined as having locations within the state of origin of the exported commodity if

- the postcode of the exporter is in the same state as the state of origin of the export, or
- the exporter has multi-state locations, one of which matches the state of origin of the export.

Data on the state of origin of commodities classified by state of location of the business is presented in table 6. Data on main state of location and industry of the exporter is presented in table 8, for all goods exporters, and in table 9, for small goods exporters.

In 2005–06 36,356 goods exporters had at least one business location in the same state as the state of origin of the commodities they exported. 26,041 goods exporters exported commodities that originated from states in which they were not located.

NUMBER AND CHARACTERISTICS OF AUSTRALIAN EXPORTERS

continued

STATE ESTIMATES *continued*

TABLE 6: GOODS EXPORTERS, STATE ESTIMATES, 2005-06(a)

.....

NUMBER OF GOODS EXPORTERS

.....

<i>State of origin of the exported commodity</i>	<i>Locations</i>		<i>Total</i>
	<i>Locations in state of origin</i>	<i>not in state of origin</i>	
New South Wales	12 359	3 287	15 646
Victoria	9 984	2 915	12 899
Queensland	6 433	2 422	8 855
South Australia	2 212	1 096	3 308
Western Australia	3 706	1 152	4 858
Tasmania	392	383	775
Northern Territory	226	217	443
Australian Capital Territory	np	np	np
Other goods exporters(b)	np	np	np
Total goods exporters	..	..	40 849

.....

.. not applicable

np not available for publication but included in totals where applicable, unless otherwise indicated

(a) The sum of exporter numbers in this table exceeds total goods exporters because an exporter may export goods which originate from more than one state.

(b) State details for these exporters cannot be released for confidentiality reasons.

As shown in table 7, 31% of Australia's total goods exports in 2005-06 came from Western Australia, followed by Queensland (23%), New South Wales (18%) and Victoria (12%).

Western Australia (\$26.9b) and Queensland (\$20.5b) have combined mining exports of \$47.3b, representing 79% of total mining industry exports in 2005-06. New South Wales (\$11.9b) and Victoria (\$9.9b) with combined manufacturing exports of \$21.9b, contribute 47% to the total value of manufacturing goods exports.

NUMBER AND CHARACTERISTICS OF AUSTRALIAN EXPORTERS

continued

TABLE 7: GOODS EXPORTERS, VALUE OF EXPORTS BY INDUSTRY OF EXPORTER AND STATE OF ORIGIN OF THE EXPORTED COMMODITY, 2005-2006

<i>Industry of exporter</i>	<i>NSW</i>	<i>Vic.</i>	<i>Qld</i>	<i>SA</i>	<i>WA</i>	<i>Tas.</i>	<i>NT</i>	<i>Total goods exports(a)</i>
VALUE OF EXPORTS (\$M)								
Goods exporters with an ABN								
Agriculture, forestry and fishing	413	206	567	219	337	81	25	1 869
Mining	5 590	1 248	20 467	1 444	26 873	1 342	2 340	59 848
Manufacturing	11 943	9 924	5 618	4 101	9 471	1 167	4	46 264
Construction	66	58	72	10	49	1	3	328
Wholesale trade	5 904	5 725	6 614	1 649	6 994	228	131	29 326
Retail trade	624	219	887	36	50	2	2	2 201
Transport and storage	271	337	222	131	351	15	6	1 764
Finance and insurance	402	587	136	51	1 116	12	12	2 402
Property and business services	1 326	311	397	970	1 634	16	1	5 039
Other(b)	250	263	186	391	188	21	149	2 022
Goods exporters without an ABN								
All industries	62	49	214	16	742	8	2	1 327
Total goods exporters	26 851	18 927	35 381	9 019	47 805	2 893	2 675	152 390

STATE CONTRIBUTION (PERCENTAGE)

Goods exporters with an ABN								
Agriculture, forestry and fishing	22.1	11.0	30.3	11.7	18.0	4.3	1.3	100.0
Mining	9.3	2.1	34.2	2.4	44.9	2.2	3.9	100.0
Manufacturing	25.8	21.5	12.1	8.9	20.5	2.5	—	100.0
Construction	20.1	17.8	22.0	3.0	14.9	0.3	0.9	100.0
Wholesale trade	20.1	19.5	22.6	5.6	23.8	0.8	0.4	100.0
Retail trade	28.4	9.9	40.3	1.6	2.3	0.1	0.1	100.0
Transport and storage	15.4	19.1	12.6	7.4	19.9	0.9	0.3	100.0
Finance and insurance	16.7	24.4	5.7	2.1	46.5	0.5	0.5	100.0
Property and business services	26.3	6.2	7.9	19.2	32.4	0.3	. .	100.0
Other(b)	12.4	13.0	9.2	19.3	9.3	1.0	7.4	100.0
Goods exporters without an ABN								
All industries	4.7	3.7	16.2	1.2	55.9	0.6	0.2	100.0
Total goods exporters	17.6	12.4	23.2	5.9	31.4	1.9	1.8	100.0

. . not applicable

— nil or rounded to zero (including null cells)

(a) Total goods exports includes ACT, re-exports and the value of exports for which state details are confidential.

(b) Includes goods exporters engaged in electricity, gas and water supply; communication services; accommodation, cafes and restaurants; health and community services; cultural and recreational services; personal and other services; education; and government administration and defence industries as well as those newly established businesses yet to confirm their main industry of activity with the Australian Taxation Office.

STATE ESTIMATES *continued*

Table 8 shows the state distribution of goods exporting businesses by industry of exporter and the exporter's main state of business location (please see Explanatory Notes paragraph 9). State of location details are not available for the 3,100 (8%) goods exporters without an ABN.

Of the total goods exporting businesses with an ABN, 37% had their main state of business operations in New South Wales, 28% in Victoria, 17% in Queensland, 10% in Western Australia, 6% in South Australia and 1% in Tasmania.

NUMBER AND CHARACTERISTICS OF AUSTRALIAN EXPORTERS

continued

TABLE 8: GOODS EXPORTERS BY INDUSTRY OF EXPORTER BY MAIN STATE OF LOCATION, 2005-06

	NSW	Vic.	Qld	SA	WA	Tas.	TOTAL(a)
<i>Industry of exporter</i>	no.	no.	no.	no.	no.	no.	no.
Goods exporters with an ABN							
Agriculture, forestry and fishing	222	249	175	193	210	53	1 123
Mining	97	50	112	30	187	np	483
Manufacturing	3 414	3 275	1 714	822	906	117	10 358
Construction	350	243	232	39	149	14	1 042
Wholesale trade	4 863	3 518	1 836	508	940	49	11 834
Retail trade	1 533	1 101	820	186	430	33	4 205
Transport and storage	500	288	198	45	107	12	1 173
Finance and insurance	363	227	107	46	76	np	827
Property and business services	1 508	1 053	607	194	410	38	3 886
Other(b)	1 081	658	449	146	255	28	2 818
All goods exporters with an ABN	13 931	10 662	6 250	2 209	3 670	351	37 749
Goods exporters without an ABN							
All industries(c)	..	..	..	..	..	..	3 100
Total goods exporters	..	..	..	..	..	..	40 849

.. not applicable

np not available for publication but included in totals where applicable, unless otherwise indicated

(a) Total includes ACT, NT and State not specified.

(b) Includes goods exporters engaged in electricity, gas and water supply; communication services; accommodation, cafes and restaurants; health and community services; cultural and recreational services; personal and other services; education; and government administration and defence industries as well as those newly established businesses yet to confirm their main industry of activity with the Australian Taxation Office.

(c) State of business location cannot be determined for exporters without an ABN.

STATE ESTIMATES *continued*

Table 9 shows the state distribution of small goods exporting businesses by industry of exporter and the exporter's main state of business location. 16,837 (85%) of all small goods exporting businesses in 2005–06 had an ABN. Again, state of location details are not available for the 3,061 (15%) small goods exporting businesses without an ABN.

Of the small goods exporting businesses with an ABN, 36% had their main state of business operations in New South Wales, 26% in Victoria, 19% in Queensland, 10% in Western Australia, 6% in South Australia and 1% in Tasmania.

The industries with the highest number of small goods exporters were wholesale trade (5,189), manufacturing (3,840), retail trade (2,299) and property and business services (2,161). The contribution of each industry varied significantly between states with wholesale trade comprising 27% of all small goods exporting businesses in Western Australia and 14% in Tasmania; agriculture, forestry and fishing making up 14% of all small goods exporting businesses in Tasmania and 2% in New South Wales; and property and business services making up 18% of all small goods exporting businesses in Tasmania and 11% in South Australia.

NUMBER AND CHARACTERISTICS OF AUSTRALIAN EXPORTERS

continued

TABLE 9: SMALL GOODS EXPORTERS BY INDUSTRY OF EXPORTER BY MAIN STATE OF LOCATION, 2005-06

	NSW	Vic.	Qld	SA	WA	Tas.	TOTAL (a)
<i>Industry of exporter</i>	no.	no.	no.	no.	no.	no.	no.
Small goods exporters with an ABN							
Agriculture, forestry and fishing	112	126	105	107	97	22	583
Mining	37	13	34	20	60	np	165
Manufacturing	1 223	1 078	745	345	353	40	3 840
Construction	168	117	115	14	64	6	488
Wholesale trade	2 076	1 419	919	249	441	23	5 189
Retail trade	818	599	464	114	224	23	2 299
Transport and storage	191	117	92	20	41	np	478
Finance and insurance	112	90	47	14	29	np	295
Property and business services	805	572	389	125	215	28	2 161
Other(b)	540	342	247	79	134	11	1 339
All small goods exporters with an ABN	6 082	4 473	3 157	1 087	1 658	159	16 837
Small goods exporters without an ABN							
All industries(c)	..	..	..	..	..	..	3 061
Total small goods exporters	..	..	..	..	..	..	19 898

.. not applicable

np not available for publication but included in totals where applicable, unless otherwise indicated

(a) Total includes ACT, NT and State not specified.

(b) Includes goods exporters engaged in electricity, gas and water supply; communication services; accommodation, cafes and restaurants; health and community services; cultural and recreational services; personal and other services; education; and government administration and defence industries as well as those newly established businesses yet to confirm their main industry of activity with the Australian Taxation Office.

(c) State of business location cannot be determined for exporters without an ABN.

SERVICES EXPORTERS

As shown in table 1, there were 2,513 services exporters in 2005–06. 26 services exporters with exports of \$100m or more contributed 21% by value to total services exports in 2005–06. 1,649 businesses exporting services with aggregate exports below \$1m represented 66% of total services exporters.

As shown in table 10 the service types with the highest number of exporters in 2005–06 were other business services (1,719), royalties and licence fees (991), computer and information services (854) and personal, cultural and recreational services (698). Numbers of exporters cannot be estimated for travel, insurance, financial and government services as the Survey of International Trade in Services is not used to derive these exports.

The value of exports of travel services of \$22.7b accounted for 54% of the total value of services exports in 2005–06. Other significant contributors were transportation services \$8.3b (20%) and other business services \$4.8b (12%).

Transportation services had the highest value of exports per business, averaging \$98.7m per services exporter in 2005–06.

NUMBER AND CHARACTERISTICS OF AUSTRALIAN EXPORTERS

continued

TABLE 10: SERVICES EXPORTERS AND VALUE OF EXPORTS BY TYPE OF SERVICE, 2005-06

Type of Service	EXPORTERS (a)	VALUE OF EXPORTS	CONTRIBUTION TO TOTAL VALUE	AVERAGE SERVICE EXPORTS PER BUSINESS
	2005-06	2005-06	2005-06	2005-06
	no.	\$m	%	\$m
Transportation services	84	8 293	19.8	99
Travel services	na	22 692	54.1	na
Communication services	480	829	2.0	2
Construction services	259	135	0.3	1
Insurance services	na	704	1.7	na
Financial services	na	1 002	2.4	na
Computer and information services	854	1 168	2.8	1
Royalties and licence fees	991	765	1.8	1
Other business services	1 719	4 828	11.5	3
Personal, cultural and recreational services	698	659	1.6	1
Government services n.i.e.	na	874	2.1	na
Total services exporters (b)	2 513	41 949	100.0	na

na not available

(a) Businesses may export more than one type of service.

(b) Includes value of exports of travel, insurance, financial and government services. Numbers of exporters cannot be estimated for these service types as the Survey of International Trade in Services is not used to measure these exports.

EXPLANATORY NOTES

INTRODUCTION

1 This article provides an analysis of the characteristics and international trading activities of Australian exporters in 2005–06. Although the ABS has released a series of articles on the number and characteristics of Australian exporters covering the 2001–02, 2002–03 and 2003–04 reference periods care should be exercised when comparing these previous estimates with 2005–06 data. The reasons for this break in series are outlined in paragraphs 2 and 3.

2 Estimates relating to exporters of merchandise goods are compiled from data sourced from the Australian Customs Service (Customs) and from the Australian Taxation Office (ATO) Australian Business Register. The methodology used to derive numbers of goods exporters has recently changed and estimates for 2005–06 cannot be compared to previous years. More details about this revised methodology are contained in the feature article *New Methodology for Deriving Counts of Australian Exporters*, issued on 7 April 2006.

3 Estimates relating to exporters of services are derived from the *ABS Survey of International Trade in Services* (SITS). The coverage of SITS was improved during 2005–06 with the identified population of businesses exporting and/or importing services increasing from 3,299 to 4,615. Of these, 2,513 were identified as active exporters in 2005–06. For more information about these changes please refer to *Changes to International Trade in Services Statistics, August 2006* released with the August 2006 issue of *International Trade in Goods and Services* (cat. no. 5368.0).

WHAT IS AN EXPORTER?

4 An exporter is defined as the owner of the exported good or the provider of the exported service. Using balance of payments principles, if an export takes place, it must involve a resident selling something to a non-resident i.e. it involves a change of ownership from an Australian resident to a non-resident. International trade in services statistics are compiled on balance of payments principles and only cover transactions between Australian residents and non-residents.

5 Information on exporters of goods is compiled from merchandise trade statistics and are usually, but not always, consistent with balance of payments principles. In a small number of cases a non-resident may own the goods at the time of departure. As there would have been a transaction between an Australian resident and a non-resident prior to the goods physically leaving Australia, it is assumed, for the purpose of these statistics, that all owners of goods at the time of their export are Australian residents and are therefore included in the counts of exporters.

6 There are a number of situations that impact on the interpretation of the count and characteristics of exporters including:

- Exports of goods excludes export consignments with a value of less than \$2,000. Prior to July 2002 exports of goods excluded individual transaction lines (within an export consignment) with a value of less than \$500.
- Australian businesses that sell goods or services to other Australian businesses which undertake the exporting function are excluded, for example:
 - many agricultural products are exported from Australia by wholesalers (such as commodity marketing boards) rather than by the producer
 - a principal consultant may export a consultancy service which comprises the work of a number of Australian sub-consultants
 - a business may export a product which is assembled from components made by a number of Australian businesses.
- Some analysts include the individual businesses providing commodities, components, other goods or services for export in their definition of 'exporters' or at least consider them to be involved in export-related activity. However, unless the businesses actually own the goods or provide the service at the time of export, they are not included in the ABS count of exporters.

EXPLANATORY NOTES *continued*

WHAT IS AN EXPORTER?

continued

- Service exporters include businesses which provide services from their Australian base to consumers offshore, i.e. supply modes 1 and 4 in the classification used by the World Trade Organisation. However, smaller and/or occasional exporters are unlikely to come to ABS notice and are therefore not included in the estimates. The number of excluded businesses may be significant, but the value of their exports is not thought to be appreciable in the totality of service exports. The ABS continues to try to identify these businesses and incorporate them into its estimates.
- Service exporters exclude businesses that only supply goods or services to foreign tourists or students in Australia (supply mode 2), such as hotels, restaurants, retail, tourist facilities, transport, theatres, educational institutions, etc. In concept these businesses should be included in counts of exporters. However, estimates of these services are compiled from information obtained from the consumers of these services rather than from the businesses providing the services.
- Goods and services exporters exclude Australian-owned businesses located overseas supplying goods or services in or from the country in which they are located (supply mode 3 and usually called foreign affiliates trade), because their trade does not directly contribute to Australia's exports of goods and services.

7 Apart from the exclusions mentioned above, businesses which export goods or services in a particular year are counted as exporters regardless of the value or frequency of their exports. Table 1 and table 2 in this article present the number of exporters by a range of export values, and table 2 presents exporter counts by the frequency of export transactions in 2005–06. This information could be analysed when considering issues such as the identification of businesses with an export focus.

CHARACTERISTICS INFORMATION OBTAINED FROM THE ABR

8 To help readers interpret data on the number and characteristics of exporters, the Australian Business Number (ABN) is used to obtain selected information on businesses from the Australian Taxation Office Australian Business Register (ABR).

9 The information obtained from the ABR includes:

- industry of the business based on the Australian and New Zealand Standard Industry Classification (ANZSIC)
- main state of business location, based on main business address or state with the highest employment
- states in which the business is located
- number of payees and Goods and Services Tax (GST) turnover range. These indicators are used in determining the size of the business.

10 The following issues should be considered when interpreting information from the ABR about exporters:

- information may have been valid when a business initially registered to the ABR but may not have been subsequently updated following changes, like establishing a new location in another state;
- a business may have more than one ABN and the ABN quoted on export documentation may be the ABN of a part of the business not actually producing the exports. As a result, characteristics obtained from the ABR (eg. the main state or the industry of the business) could relate to a corporate head office;
- a business located in a particular state may export goods produced in different states.

11 The characteristics listed above can not be obtained for exporting businesses without an ABN.

12 The ABS is developing a business longitudinal database that will provide a better basis for analysing information about the characteristics of businesses. It is anticipated that for the small and medium sized businesses, the business longitudinal database will provide the opportunity to compare the characteristics of exporting and non-exporting

EXPLANATORY NOTES *continued*

CHARACTERISTICS
INFORMATION OBTAINED
FROM THE ABR *continued*

BUSINESS SIZE

businesses engaged in similar activities. Further information on the business longitudinal database can be obtained from Ashley Barlett by emailing ashley.bartlett@abs.gov.au or by phoning (02) 6252 5402.

13 Exporter counts are presented by business size. The ABS discussed the size classification to be used for counts of businesses in the information paper, *A Statistical View of Counts of Businesses in Australia, 2005* (cat. no. 8161.0). The size classification recommended in that information paper only used number of payees. Despite this, additional criteria have been added for the purpose of the exporter data to cover businesses with large value domestic and/or export sales but relatively few employees. This non-standard definition has been retained to maintain consistency with previous articles and because it caters for exporters that do not have an ABN or have more complex structures, e.g. the ABN reported on the export documentation may not be same as the ABN used for employment purposes.

14 The criteria are:

- small businesses - having fewer than 20 payees and estimated annual GST turnover range less than \$1m and exports of less than \$1m during the reference period
- large businesses - having 200 or more payees or estimated annual GST turnover range of \$20m or more or exports of \$20m or more during the reference period
- medium businesses - all businesses other than those defined as small or large.

CHARACTERISTICS OBTAINED
FROM EXPORT
DOCUMENTATION

15 The following information can be obtained or derived from export documentation for all goods exporters including those without an ABN:

- value of exports
- state of origin of the commodity
- industry of origin of the commodity.

16 The state of origin of the commodity recorded on export documentation can be used to identify the state from which the exported goods were sourced. State of origin is the state in which the final stage of production or manufacture occurs. Determining a single state of origin is difficult when there may be several stages in the manufacturing process, each of which may take place in a different state. For example, fruit may be grown in one state, canned in another, and exported from another.

17 The industry of origin of the commodity is derived by linking each statistical code in the Australian Harmonised Export Commodity Classification (AHECC) to an ANZSIC industry based on the primary activities of the industries with which they are most commonly associated. These are the industries most likely to have produced the exported goods. Industry of origin of the commodity is a different concept from the industry of businesses recorded on the ABR. While each AHECC statistical code is allocated to one primary industry of origin, commodities can be produced and/or exported by businesses classified to a number of industries.

EXPLANATORY NOTES *continued*

ABBREVIATIONS

ABN	Australian Business Number
ABR	Australian Business Register
ACS	Australian Customs Service
AHECC	Australian Harmonised Export Commodity Classification
ANZSIC	Australian and New Zealand Standard Industrial Classification
ATO	Australian Taxation Office
b	billion (one thousand million)
GST	goods and services tax
m	million
SITS	Survey of International Trade in Services

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